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SURVEY *of* CURRENT BUSINESS

IN THIS ISSUE . . .

Annual Revision of the NIPA's

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BUREAU OF ECONOMIC ANALYSIS



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U.S. International Trade in Goods and Services (July 17),
Gross Domestic Product (July 31), and
Personal Income and Outlays (August 3).

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The revised NIPA estimates show somewhat faster economic growth and a somewhat slower increase in prices than were shown by the previously published estimates. Over the period covered by the revisions, the average growth rate of real GDP was revised up 0.3 percentage point to 3.4 percent, and the average increase in the price index for gross domestic purchases was revised down 0.3 percentage point to 1.8 percent. Personal saving (and the personal saving rate) was revised down substantially, and undistributed corporate profits and the State and local government surplus or deficit were revised up substantially.

The annual revisions reflect the incorporation of regular source data and the introduction of the following major changes in methodology: A redefinition affecting dividends paid by regulated investment companies (mutual funds); new source data for several types of consumer services; geometric-mean-type consumer price indexes for deflation of detailed components of personal consumption expenditures (PCE); and several new price measures—primarily producer price indexes and international price indexes—for deflation of PCE, fixed investment, exports and imports, and government spending.

Regular features

1 Business Situation

Real GDP increased 1.4 percent in the second quarter of 1998 after increasing 5.5 percent in the first quarter; the deceleration was primarily accounted for by a sharp downturn in inventory investment and by a slowdown in investment in producers' durable equipment. The price index for gross domestic purchases increased 0.4 percent in the second quarter after decreasing 0.2 percent in the first.

167 Personal Income by State and Region, First Quarter 1998

Personal income in the Nation increased \$112.0 billion, or 1.6 percent, in the first quarter of 1998; the largest increase was in the Southeast region, which accounted for 25 percent of the growth. By State, the fastest growth in personal income was in Alaska, South Carolina, Massachusetts, Colorado, and Arizona. The slowest growth was in North Dakota, Delaware, Vermont, and Arkansas.

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